GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA

UNSTARRED QUESTION NO:3711
ANSWERED ON:08.12.2016
Slow Pace of Capacity Addition in Solar Sector
Raju Shri Gokaraju Ganga

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

(a) whether there is a slow pace of capacity addition in the solar sector which have created room for a variety of off-grid solar solutions to grow and provide electricity and the Government is forced to heavily dependent on the off-grid solar industry;
(b) if so, the details thereof including the capacity addition being achieved against target set per year and the reasons for slow pace of progress in capacity addition;
(c) whether most of the solar input products have zero customs duty on imports but the companies have to pay a 30% duty on battery imports, which renders making solar lanterns and invertors in the country economically unviable ; and
(d) if so, the details thereof and the steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR POWER, COAL, NEW AND RENEWABLE ENERGY & MINES (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): No Madam, there is a Cumulative Annual Growth Rate (CAGR) of 37% solar power capacity addition during the last three years. The objective of Solar Off-grid Applications programme is to provide electricity in the areas where there is no electricity or facing irregular power supply or diesel usage is more. The growth of Off-Grid Solar Programme is not related to slow pace of capacity addition in the solar sector.
(b): The Government has set a target of 1,00,000 MW Grid Connected Solar Power to be achieved by the year 2022 through installation of projects under various schemes. As on 31.10.2016, 8727.62 MW Solar Plants were Commissioned.
(c) & (d): Customs & Excise exemption certificates are given to solar power developers for installation of grid connected solar projects. However, there is no customs duty exemption on the imported components like battery or inverter. Further, the solar lantern attracts Basis Concessional Duty (BCD) of 5%, while the solar lantern is exempt from excise duty.The parts consumed within the factory of production for the manufacture of solar lantern are exempt from excise duty subject to actual user condition. Concessional 5% BCD on Active Energy Controllers for manufacture of Renewable Power System is also allowed subject to actual user condition.
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